

475 17th Street Suite 1500 Denver Colorado 80202 Telephone 303 573-1222 Fax 303 573 0461

December 19, 2005

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 P. O. Box 145801 Salt Lake City, Utah 84114-5801

Attn.: Ms. Diana Whitney

RE: Rainbow #11-24-22-20 Lease Serial No.: UTU-73920

2035' FNL - 1617' FWL SENW Section 20 ,T11S-R24E S.L.B.& M.

Uintah County, Utah

Dear Ms. Whitney:

Enclosed is an original application to drill concerning the above-referenced proposed well. Also enclosed is a copy of the BLM APD, and two original copies of an exception well location.

Enduring Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact me at 303-350-5114.

Very truly yours,

ENDURING RESOURCES, LLC

Alvin R. (Al) Arlian

Landman-Regulatory Specialist

RECEIVED DEC 2 1 2005

ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500 Denver, Colorado 80202

Telephone:

303-573-1222

Facsimile:

303-573-0461

October 18, 2005

State of Utah Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801

Attention:

Ms. Diana Whitney

RE:

Request for Exception Well Location

Rainbow #11-24-22-20

Lease Serial No.: UTU-73920

2035' FNL - 1617' FWL SENW Section 20 ,T11S-R24E S.L.B.& M.

Uintah County, Utah

Dear Ms. Whitney:

Enduring Resources, LLC respectfully requests a spacing exception for the above-referenced well. The well was moved from the center of the forty-acre spacing.

The well is located at 2035' FNL – 1617' FWL of Section 20.

The location was moved due to topographic considerations and access.

Enduring Resources, LLC is the only lease owner within a 460' radius of the well stake.

Therefore, Enduring Resources, LLC hereby grants itself permission for the exception well location.

Should you have any questions concerning this matter, please do not hesitate to call 303-350-5114 (aarlian@enduringresources.com).

Very truly yours

ENDURING RESOURCES, LLC

Alvin R. (Al) Arlian

Landman - Regulatory Specialist

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

F	O	R	М	3

AMENDED REPORT	
(highlight changes)	

	APPLICATION FOR PERMIT TO DRILL							6. SURFACE: Federal
1A. TYPE OF WO	PRK:	ORILL 🗹 F	REENTER [DEEPEN			7. IF INDIAN, ALLOTTEE OR	TRIBE NAME:
B. TYPE OF WE	LL: OIL	GAS 🗹	OTHER	SIN	GLE ZONE 🚺 MULTIPLE ZON	⊫□l	8. UNIT or CA AGREEMENT	NAME:
2. NAME OF OPE Enduring R	esources,	LLC		:			9. WELL NAME and NUMBE Rainbow 11-24-2	2-20
3. ADDRESS OF 475 17th St		0 _{crry} Denve	r st.	ATE CO ZIP 80	PHONE NUMBER: (303) 350-5114		10. FIELD AND POOL, OR W Undesignated	/ILDCAT:
					39.849208 14-109.257662	3	11. QTR/QTR, SECTION, TO MERIDIAN: SENW 20 11:	WNSHIP, RANGE, S 24E S
		RECTION FROM NEAR	EST TOWN OR PO	OST OFFICE:			12. COUNTY:	13. STATE: UTAH
	heast of V				F ACRES IN LEASE:		Uintah	
15. DISTANCE TO 605'	O NEAREST PRO	17. NUI	MBER OF ACRES ASSIGNED	TO THIS WELL:				
18. DISTANCE TO	NEAREST WE	LL (DRILLING, COMPL	ETED, OR	19. PROPOSED	920 DEPTH:	20. BON	ND DESCRIPTION:	
APPLIED FOR 1002'	R) ON THIS LEAS	SE (FEET)			6,400	RLE	30008031	
	(SHOW WHETH	ER DF, RT, GR, ETC.):		ATE DATE WORK WILL START:	23. EST	IMATED DURATION:	
5888'	RT-KB			2/25/200)6 	20 0	days 	
24.			PROPOS	SED CASING A	ND CEMENTING PROGRAM			
SIZE OF HOLE	CASING SIZE	GRADE, AND WEIGH	HT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUA	ANTITY, Y	IELD, AND SLURRY WEIGH	Т
20"	14"	line pipe		40	3 yards	Ready	Mix	
11"	8-5/8"	J-55	24#	2,000	Premium Lead	138	sxs 3.50	11.1
	,				Premium Tail	138	sxs 1.15	5 15.8
7-7/8"	4-1/2"	N-80	11.6#	6,400	Class G	60	sxs 3.	3 11.0
		<u> </u>			50/50 Poz Class G	732	sxs 1.56	3 14.3
25.				ATTA	CHMENTS	r	ONEIDEN	ΓΙΔΙ
VERIFY THE FOL	LOWING ARE A	TTACHED IN ACCORE	DANCE WITH THE	UTAH OIL AND GAS C	ONSERVATION GENERAL RULES:	U	ON IDEN	IIIL
WELL PL	AT OR MAP PRE	PARED BY LICENSED	SURVEYOR OR I	ENGINEER	COMPLETE DRILLING PLAN			
✓ EVIDENC	E OF DIVISION	OF WATER RIGHTS A	PPROVAL FOR US	SE OF WATER	FORM 5, IF OPERATOR IS PE	RSON OR	COMPANY OTHER THAN T	HE LEASE OWNER
NAME (PLEASE I	_{PRINT)} Alvin	R. (Al) Arlian			_{тпье} Landman - Re	gulato	ry Specialist	
		2//		7	12/10/2005			
SIGNATURE		7//6			DATE 12/19/2003	<u></u>		
(This space for Sta		13-647-3	75105	er en	Approved by the Utah Division of Dila-Gas_and Mining	- Separate Marie	RECEIV	

(11/2001)

Federal Approval of this Action is Necessary

DIV. OF OIL, GAS & MINING

T11S, R24E, S.L.B.&M.

Found Set marked stone. pile of stones.

N89'59'W - 79.96 (G.L.O.) 2635.22' (Measured) Stone, Pile of Stones N89'56'24"E (Basis of Bearings) 2640.93' (Meas) S89'55'46"W Found: Set Stone 90°0k (6,1,0) Pile of Stones Bearings) 2035, of Proposed Drilling (Basis Window N00'02'19"W -2638.54 See Detail at Right (G.L.O.) 1617 D e t a i l(6.1.0) No Scale Found: Set Stone. DRILLING Bearing Trees N00.03,M WINDOW W.E0.00N (Meas) WELL LOCATION: RAINBOW 11-24-22-20 ELEV. UNGRADED GROUND = 5875.3' 2648. W.00.03'19"W

S89'59'W - 79.90 (G.L.O.)

Found: Set Marked

Stone, Pile of

Stones

= SECTION CORNERS LOCATED

Found: Set Marked

Stone, Pile of

Stones

Found: Set Marked

BASIS OF ELEVATION IS BENCH MARK 89 EAM 1965 LOCATED IN THE WEST 1/2 OF SECTION 5, T12S, R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN. QUADRANGLE AS BEING 6075'.

N89'57'44"E 2636.12' (Meas)

RAINBOW 11-24-22-20 (Proposed Well Head) NAD 83 Autonomous

LATITUDE = $39^{\circ} 50' 56.94"$ LONGITUDE = $109^{\circ} 15' 29.94''$

ENDURING RESOURCES

WELL LOCATION, RAINBOW 11-24-22-20, LOCATED AS SHOWN IN THE SE 1/4 NW 1/4 OF SECTION 20, T11S, R24E, S.L.B.&M. UINTAH COUNTY, UTAH.

NOTES:

- 1. Well footages are measured at right angles to the Section Lines.
- 2. Bearings are based on Global Positioning Satellite observations.

DIST	TANCE TO NE	AREST WEL	L
FROM WELL	TO WELL	COURSE	DISTANCE
11-24-22-20	11-24-12-20	N76'33'49"W	1,028'

THIS IS TO CERTIFY THATWHE ABOVE PLAT WAS PREPARED FROM FLEED NOTIFE BY ACTUAL SURVEYS MADE BY ME OR DESCRIPTION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

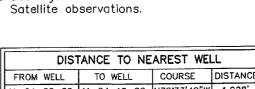
TIMBERLINE LAND SURVEYING. INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078 (435) 789-1365

, ,	/
DATE SURVEYED: 10-12-05	SURVEYED BY: K.R.K.
DATE DRAWN: 10-14-05	DRAWN BY: M.W.W.
SCALE: 1" = 1000'	Date Last Revised:

SHEET

OF 10



SELF-CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well.

Rainbow #11-24-22-20 2035' FNL – 1617' FWL SENW Section 20 ,T11S-R24E S.L.B.& M. Lease Serial No.: UTU-73920 Uintah County, Utah

Enduring Resources, LLC is responsible under the terms and conditions of the lease for the operations conducted upon leased lands. Bond coverage is provided by UTB000173.

December 19, 2005

Alvin R. Arlian

Regulatory Specialist

Enduring Resources, LLC

475 17th Street, Suite 1500

Denver, CO 80202 (303) 350-5114

Enduring Resources, LLC

Rainbow #11-24-22-20 SENW Sec. 20 T11S-R24E Uintah County, Utah Lease # UTU-073920

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

Formation	Depth (K.B.)
Uinta	Surface
Green River	555'
Wasatch	2788'
Mesaverde	4220'

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:

Substance	Formation	Depth (K.B.)
· · · · · · · · · · · · · · · · · · ·	KB-Uinta Elevation: 5888'	
Oil / Gas	Green River	555'
Oil /Gas	Wasatch	2788'
Oil /Gas	Mesaverde	4220'
	TD	6400'

A 11" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

3. Pressure Control Equipment: (3000 psi schematic attached)

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- B. Pressure Rating: 3,000 psi BOPE
- C. Kelly will be equipped with upper and lower Kelly valves.
- D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.



- 1. When the annular preventer is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repairs; and
- 4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the BOP is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repairs; and
- 4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set
				·	(MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6400' (KB)

The surface casing will have guide shoe, 1 joint, insert float collar. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next16 joints with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.52(a)	2950/3.28(b)	244/5.81(c)
6400' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.91 (d)	7780/2.54(e)	223/3.50 (f)

- (a.) based on full evacuation of pipe with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation of pipe with 10.0 ppg fluid on annulus
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient
- (f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

Surface Casing (if well will circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	sxs	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	1516	Premium cement + 16% gel + 0.25 pps celloflake	138	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement + 2% CaC ₂ + 0.25 pps celloflake	138	25%	15.8	1.15

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 $\rm ft^3/sx$) cement will be premium cement w/ $\rm 3\%~CaCl_2 + 0.25~pps$ celloflake. Volume as required

Surface Casing (if well will not circulate) - Cemented to surface

		FT. of			EXCESS	WEIGHT	YIELD
CASING	SLURRY	FILL	CEMENT TYPE	SXS	(%)	(ppg)	(ft³/sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl ₂ + 0.25 pps celloflake	As Req.		15.8	1.15

Production Casing and Liner - Cemented TD to 300' above base of surface casing

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft³/sx)
4-1/2"	Lead	672	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	60	25	11.0	3.3
4-1/2"	Tail	4012	50/50 POZ Class G + 2% gel +1% CaCl ₂ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	732	25	14.3	1.56

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to 300' above base of surface casing. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. **Drilling Fluids (mud) Program:**

Interval	Mud Weight	Fluid Loss	Viscosity	Mud Type
(MD)				
0' - 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-6400' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. Evaluation Program:

Tests:

No tests are currently planned.

Coring:

No cores are currently planned.

Samples:

No sampling is currently planned.

Logging

- Dual Induction SFL /Gamma Ray/Caliper/SP/TDLT/CNL/ML TD to Base Surface Casing
- Cement Bond Log / Gamma Ray:
 TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

7. <u>Abnormal Conditions:</u>

No abnormal temperatures or pressures are anticipated. No H_2S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3,328 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 1,920 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. Anticipated Starting Dates:

Anticipated Commencement Date- Within one year of APD issue.

Drilling Days Approximately 10 days

Completion Days - Approximately 10 days

Anticipate location construction within 30 days of permit issue.

9. Variances:

None anticipated

10. Other:

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining and the School and Institutional Trust lands Administration upon their receipt.

Single Shot directional surveys will be dropped every 2000 feet to monitor hole angle.

ENDURING RESOURCES Rainbow 11-24-22-20 SENW Sec 20, T11S, R24E, S.L.B.&M.

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.8 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE JUNCTION OF A COUNTY D ROAD. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 3.6 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 270 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 66.7 MILES IN A SOUTHEASTERLY DIRECTION.

Rainbow #11-24-22-20 SENW Sec. 20 T11S-R24E Uintah County, Utah Lease # UTU-073903

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the Rainbow #11-24-22-20 Well Pad

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.8 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE JUNCTION OF A COUNTY D ROAD. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 3.6 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 270 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 66.7 MILES IN A SOUTHEASTERLY DIRECTION.

2. Planned Access Roads:

The proposed access road will be approximately 270 feet of new construction (ON-LEASE) and 540 feet of "re-route" new construction (OFF-LEASE) on American Gilsonite. The balance of the OFF-LEASE road is a Class D County Road. No new road will have to be built OFF-LEASE. However, the County Road Class D Road will be improved to meet BLM requirements. Please refer to Topo Map "B" for the takeoff point for the new road construction and the Class D County Road that will be improved.

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.



The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provided a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: <u>Surface Operating Standards for Oil and Gas Exploration and Development</u>. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. <u>Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" attached):</u>

The following wells are wells located within a one (1) mile or greater radius of the proposed location.

a.	None:	Water Wells:
b.	None:	Injection Wells:
C.	None:	Producing Wells:
		i. 43-047-31489 RAINBOW UNIT No. 6 SENW Sec 19
		ii. 43-047-36150 RAINBOW 14-17 SESW Sec 17
d.	None:	Drilling Wells:
e.	None:	Shut-in Wells:
		i. 43-047-32778 RAINBOW UNIT No. 7 NWNW Sec 18
f.	None:	Temporarily Abandoned Wells:
g.	None:	Disposal Wells:
ĥ.	None:	Abandoned Wells:
		i. 43-047-15808 RAINBOW UNIT 6 SENW Sec 19
i.	None:	Dry Holes:

j. None:

Observation Wells:

k. One:

Pending (staked) Wells:

. Various wells staked by Enduring in Secs. 17 and 20

4. Location of Existing and/or Proposed Facilities:

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the rocky Mountain Five State Inter-Agency Committee

All facilities will be painted within 6 months of installation. The color shall be Desert Tan. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Gas Gathering Pipeline:

ON-LEASE

270' BLM

OFF-LEASE

NONE

Enduring's agreement with American Gilsonite requires that any pipelines on their land shall be surface pipelines, which is not applicable herein. That same agreement provides for the road re-route around a fee location on American Gilsonite. That re-route will be constructed and in use prior to this well being drilled.

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The surface gas gathering line shall be in use year round. A total of approximately less than 270 feet of surface gas gathering pipeline shall be laid on the surface to minimize surface disturbance:

- a. ON-LEASE approximately 270 feet, and
- b. OFF-LEASE, none,

of 4 inch or less diameter steel, unpainted, welded gas gathering line is proposed.

The proposed pipeline will begin at the well site; and be laid on the surface next to the new access road (east/west), and tie-in directly to a proposed 6" surface pipeline next to the County Class D road (This is a surface pipeline from the 43-047-36150 RAINBOW 14-17 located in SESW Sec 17 run south to a tie-in point at the Rock Hopper NESW of

Sec 29). The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

5. <u>Location and Type of Water Supply:</u>

Water will be obtained from the White River by Tu and Frum, Inc. Water User Claim #49-2185, Application #T75517, or by Target Trucking Water User Claim #43-2195, or by Dalbo Inc. Water User Claim #43-8496

Water will be hauled to the location over the roads marked on "Topo" Maps "A" and "B."

No water well is to be drilled on this lease.

Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized fro location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

7. <u>Methods of Handling Waste Materials:</u>

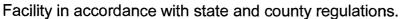
Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit well be constructed on the location and will not be located within natural drainage, where a flood hazard exits or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, brake or allow discharge of liquids.

The reserve pit will be lined with ¼ felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the will be disposed of in the pit.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment



Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash well be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

8. Ancillary Facilities:

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

9. Well Site Layout: (Refer to Sheets #2, #3, and #4)

The attached Location Layout Diagrams described drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

10. Plans for Surface Reclamation:

Producing Location:

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

- i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil Will Included:

To be provided by the BLM.

11. Surface Ownership: Location, Access and Pipeline Route:

Wellsite: Bureau of Land Management

Access: Bureau of Land Management and American Gilsonite

Pipeline: Bureau of Land management

12. Other Information

On-site Inspection for Location, Access and Pipeline Route:

The on-site was conducted December 15, 2005.

Special Conditions of Approval:

- Tanks and Production Equipment shall be painted Dark Olive Black.
- Gathering Pipeline shall be 4" or less.

Archeology:

a. A Cultural Resource Inventory Report is pending and to be prepared by Montgomery Archaeological Consultants.

Paleontology:

a. A Paleontology Reconnaissance Report is pending and to be prepared by Intermountain Paleo-Consulting.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported

Frank Hutto

promptly to the surface management agency.

Lessee's or Operator's Representatives: 13,

Representatives:

Alvin R. (Al) Arlian Landman - Regulatory Specialist Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, Colorado 80202 Office Tel: 303-350-5114 Fax Tel: 303-573-0461

aarlian@enduringresources.com

Vice President - Operations Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, Colorado 80202 Office Tel: 303-573-5102 Fax Tel: 303-573-0461

fhutto@enduringresources.com



PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

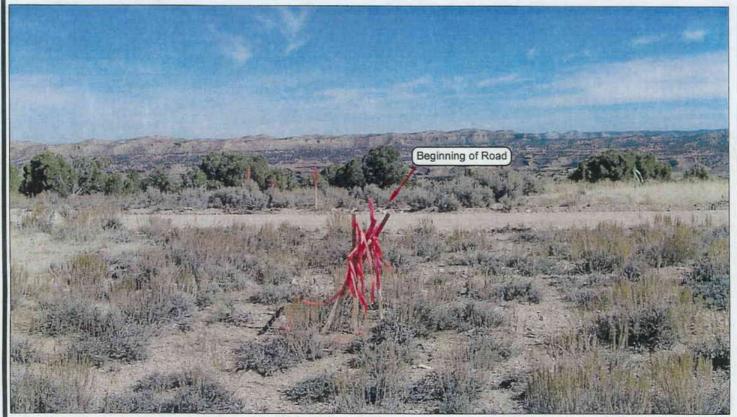


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHWESTERLY

ENDURING RESOURCES

Rainbow 11-24-22-20 SECTION 20 , T11S, R24E, S.L.B.&M. 2035' FNL & 1617' FWL LOCATION PHOTOS

DATE TAKEN: 10-12-05

DATE DRAWN: 10-21-05

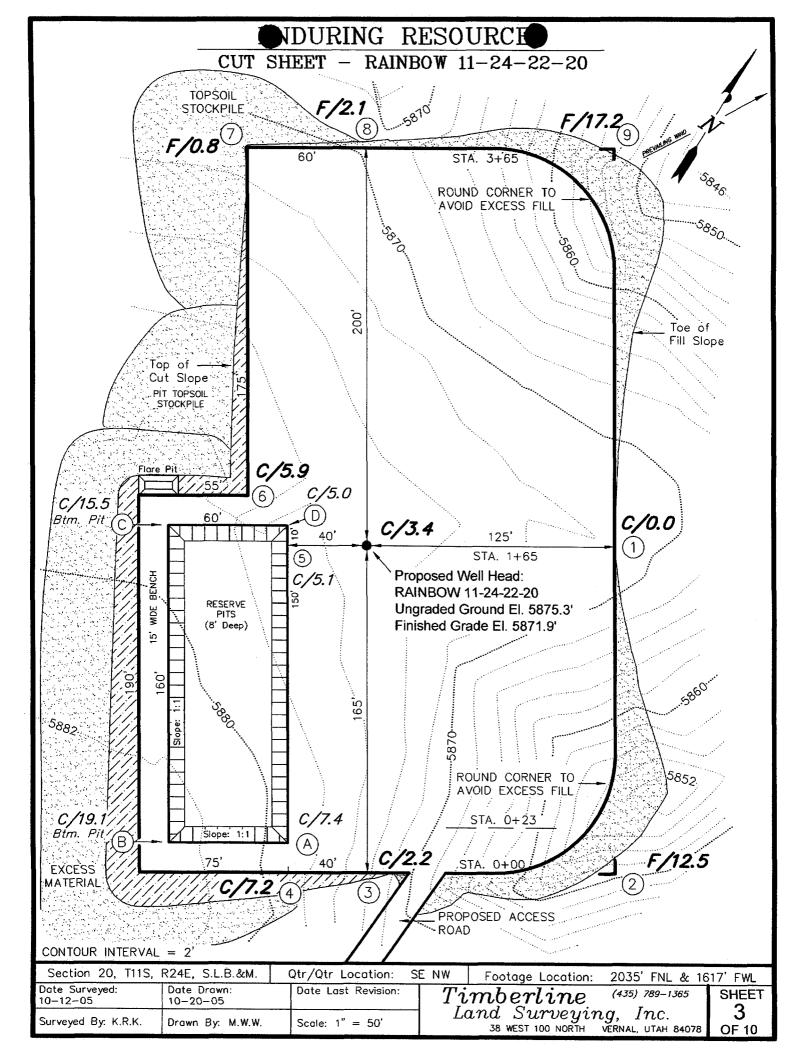
REVISED:

TAKEN BY: K.R.K.

DRAWN BY: B.J.Z.

c. SHI

Timberline Land Surveying, Inc. 38 West 100 North Vernal, Utah 84078 (435) 789-1365 SHEET 1 OF 10

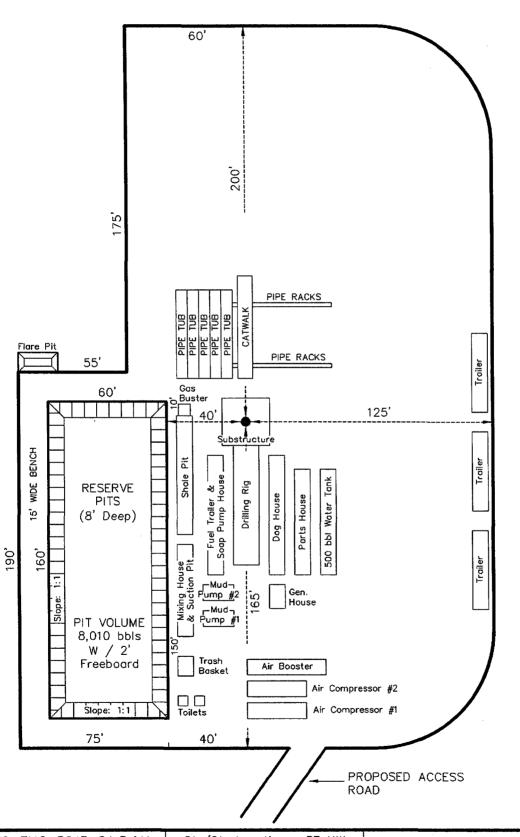


NDURING RESOURCE CROSS SECTIONS - RAINBOW 11-24-22-20 20, STA. 3+65 1" = 50'**EXISTING** GRADE FINISHED GRADE 20, WELL HOLE 1" = 50STA. 1+65 20, 1" = 50' STA. 0+2320, 1" = 50'STA. 0+00 Pit overburden is included in pad cut. ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards) REFERENCE POINTS 6" TOPSOIL ITEM CUT FILL **EXCESS** 175' NORTHEASTERLY = 5,868.8'PAD 7,105 8,275 Topsoil is -1,170 225' NORTHEASTERLY = 5.863.7' not included in Pad Cut PIT 2,340 0 2,340 250' NORTHWESTERLY = 5,866.7' TOTALS 9,445 8,275 1,440 1,170 300' NORTHWESTERLY = 5.865.6'Excess Material after Pit Rehabilitation = 0 Cu.

Section 20, T11S, R24E, S.L.B.&M. Qtr/Qtr Location: SE NW Footage Location: 2035' FNL & 1617' FWL Date Surveyed: Date Drawn: Date Last Revision: (435) 789-1365 SHEET Timberline10-20-05 10-12-05 Land Surveying,
38 WEST 100 NORTH VE 4 Inc.Surveyed By: K.R.K. Scale: 1" = 50'Drawn By: M.W.W. VERNAL, UTAH 84078 **OF 10**

EDURING RESOURCES

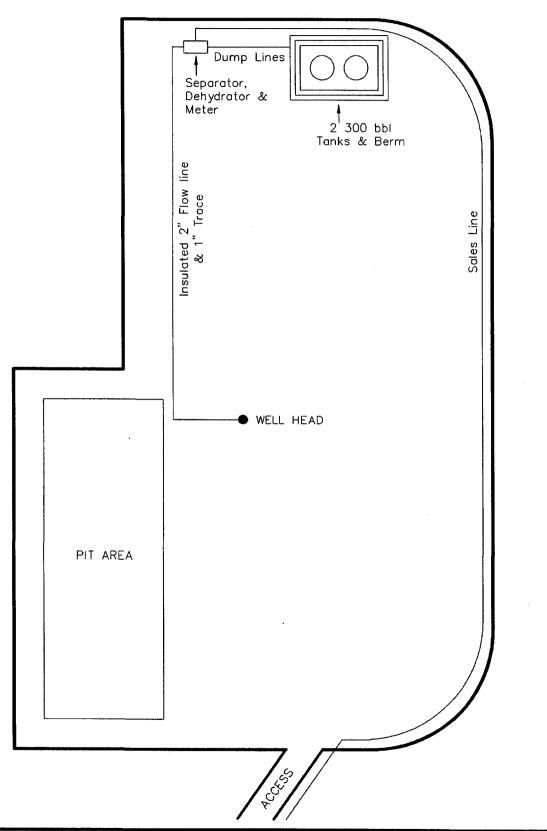
TYPICAL RIG LAYOUT - RAINBOW 11-24-22-20



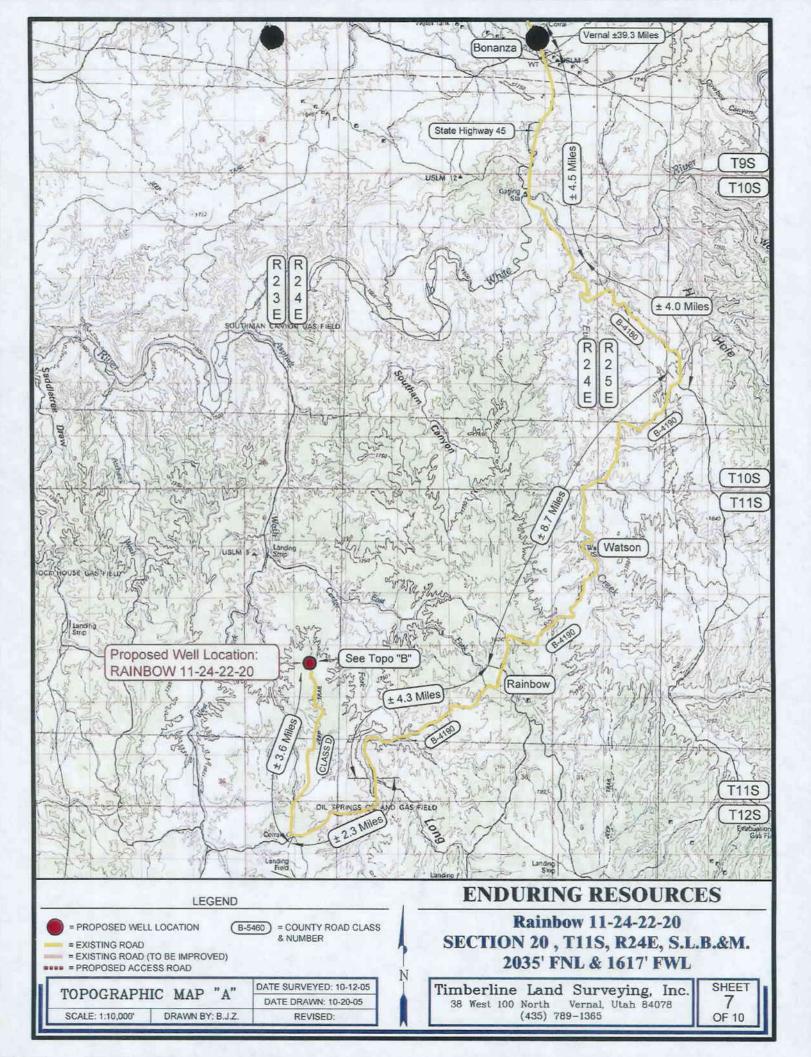
Section 20, T11S,	R24E, S.L.B.&M.	Qtr/Qtr Location: 5	ENW	Footage Location:	2035' FNL & 16	17' FWL
Date Surveyed: 10-12-05	Date Drawn: 10-20-05	Date Last Revision:		nberline	(435) 789–1365	SHEET
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	Lai	nd Surveying 38 WEST 100 NORTH	, INC. VERNAL, UTAH 84078	OF 10

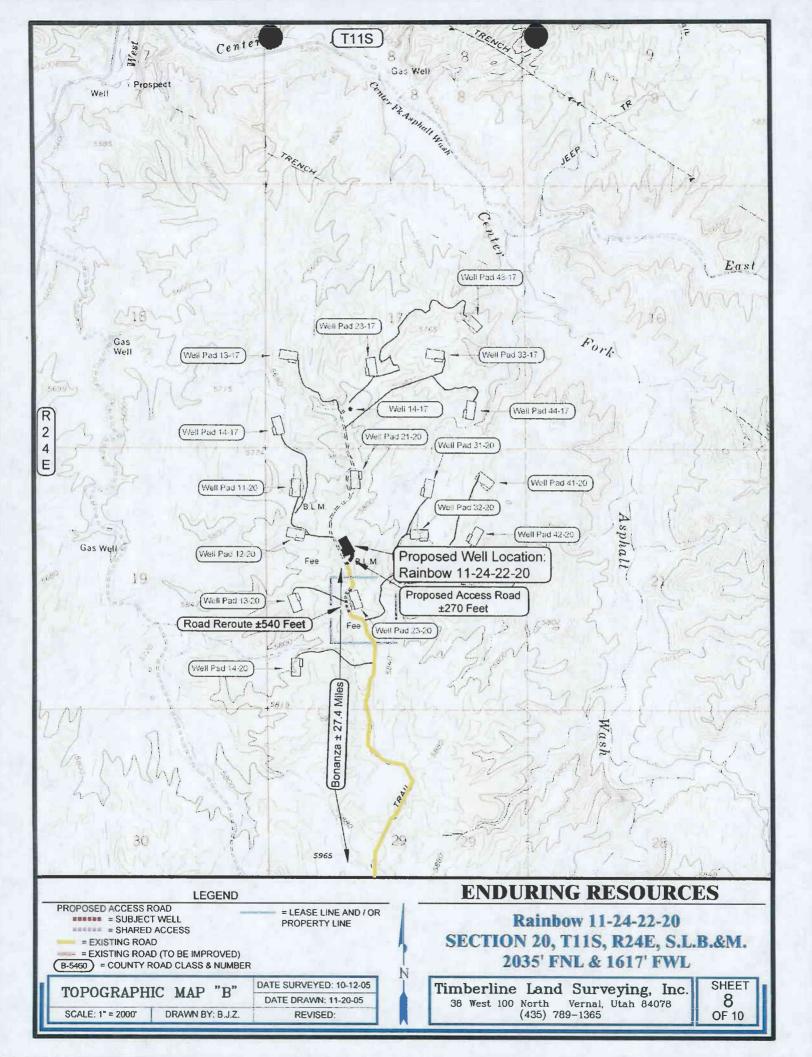
DURING RESOURCE

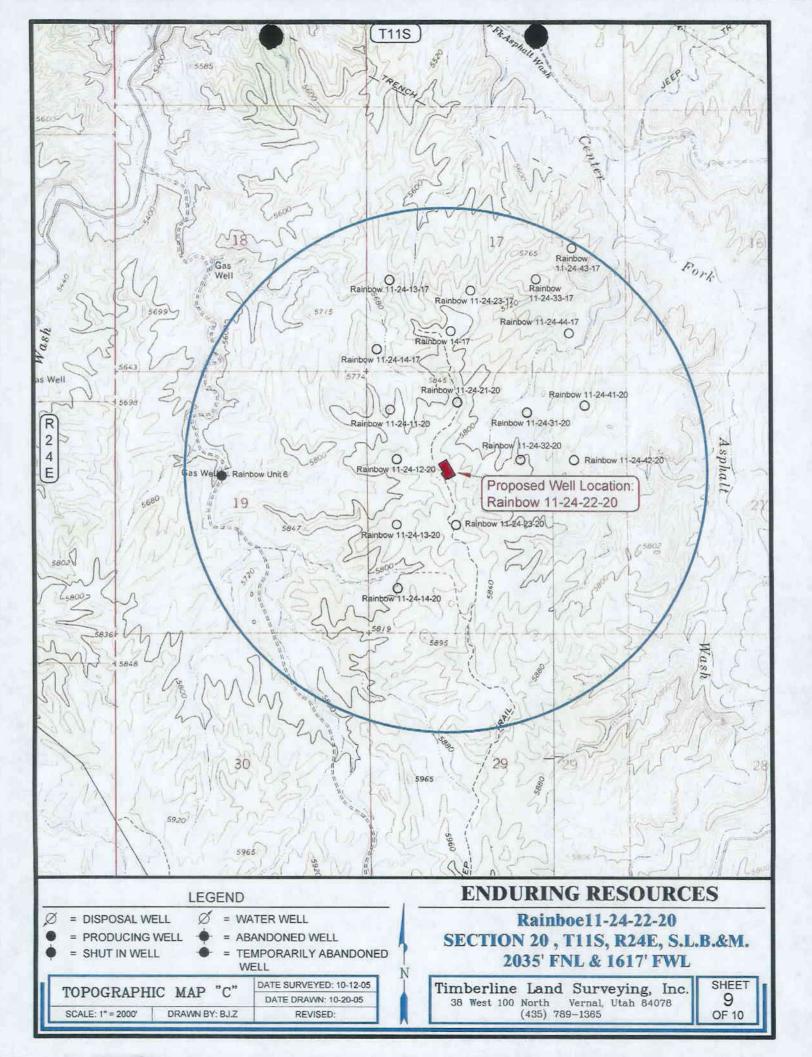
TYPICAL PRODUCTION LAYOUT - RAINBOW 11-24-22-20

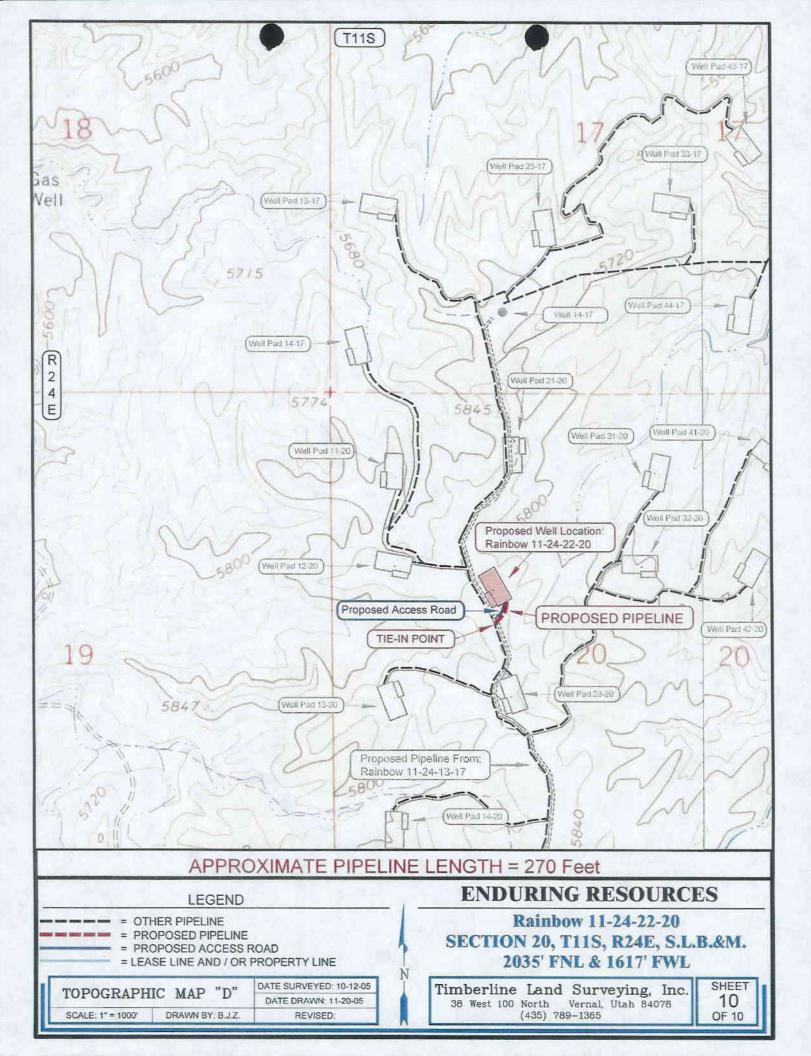


Section 20, T11S,	R24E, S.L.B.&M.	Qtr/Qtr Location: S	ENW	Footage Location:	2035' FNL & 16	17' FWL
Date Surveyed: 10-12-05	Date Drawn: 10-20-05	Date Last Revision:		nberline	(435) 789–1365	SHEET
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	Lai	nd Surveying 38 WEST 100 NORTH	V. $Inc.$ VERNAL, UTAH 84078	O F 10

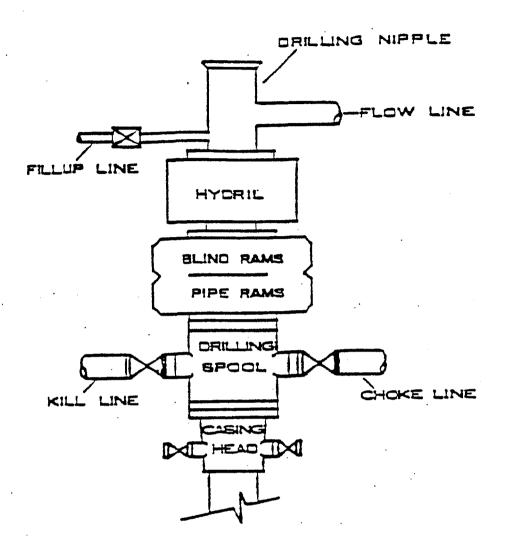


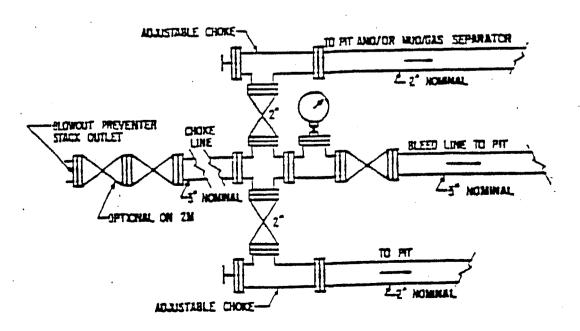




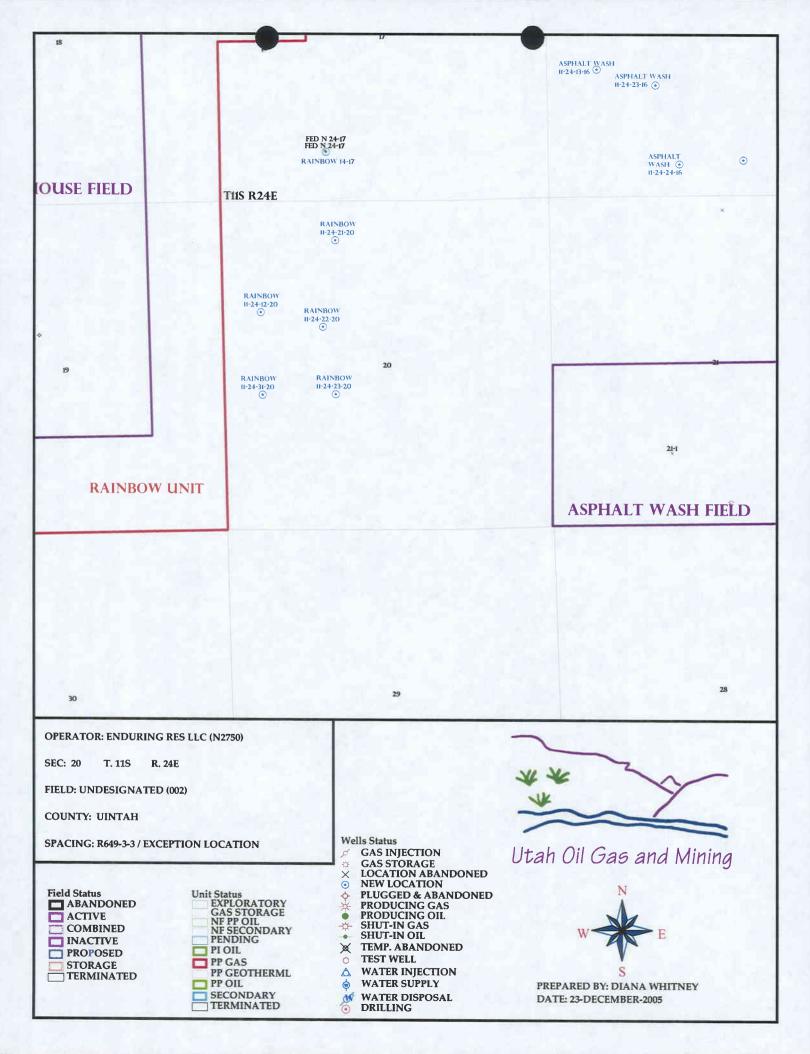


EOP STACK





APD RECEIVE	ED: 12/22/2005	API NO. ASSIGNE	ED: 43-047-3756	5	
WELL NAME: OPERATOR: CONTACT: PROPOSED LO SENW SURFACE BOTTOM: UINTAH UNDESIGN	RAINBOW 11-24-22-20 ENDURING RESOURCES, LLC (N2750) AL ARLIAN CCATION: 20 110S 240E : 2035 FNL 1617 FWL 2035 FNL 1617 FWL	PHONE NUMBER: 30 INSPECT LOCATN Tech Review Engineering Geology	03-350-5114		
LEASE TYPE:	1 - Federal	Surface			
LEASE NUMBER: UTU-73920 SURFACE OWNER: 1 - Federal PROPOSED FORMATION: MVRD COALBED METHANE WELL? NO		LATITUDE: 39.84921 LONGITUDE: -109.2577			
Plat Bond: (No. Potas Oil S Water (No. RDCC (Dat N# Fee S	### TOP COMPANY TO STATE TO STATE OF THE PROPERTY OF THE PROPE	Drilling Uni Board Cause Eff Date: Siting:	General rom Qtr/Qtr & 920': Exception		
COMMENTS: _					
STIPULATION	15: 1- Sedera approval 2 Spacen & Stip)			





State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

December 27, 2005

Enduring Resources, LLC 475 17th St., Ste. 1500 Denver, CO 80202

Re: Rainbow 11-24-22-20 Well, 2035' FNL, 1617' FWL, SE NW, Sec. 20, T. 11 South, R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37565.

Sincerely,

for) Gil Hunt

Associate Director

pab Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator:	Enduring Resources, LLC		
Well Name & Number	Rainbow 11-24-	22-20	
API Number:	43-047-37565		
Lease:	UTU-73920		
Location: <u>SE NW</u>	Sec20_	T. 11 South	R. 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

FORM 9 STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES 5. LEASE DESIGNATION AND SERIAL NUMBER: DIVISION OF OIL, GAS AND MINING UTU-73920 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SUNDRY NOTICES AND REPORTS ON WELLS n/a 7. UNIT or CA AGREEMENT NAME: n/a Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such 8. WELL NAME and NUMBER: GAS WELL 7 OTHER Rainbow 11-24-22-20 OIL WELL 9. API NUMBER: 2. NAME OF OPERATOR: 4304737565 **Enduring Resources, LLC** 10. FIELD AND POOL, OR WILDCAT: PHONE NUMBER: 3. ADDRESS OF OPERATOR: Undesignated (303) 350-5719 STATE CO ₇₁₀ 80202 475 17th Street, Suite 1500 Denver 4. LOCATION OF WELL COUNTY: Uintah FOOTAGES AT SURFACE: 2035' FNL - 1617' FWL STATE: 24E 20 **11S** QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW **UTAH** CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF ACTION TYPE OF SUBMISSION REPERFORATE CURRENT FORMATION ACIDIZE **V** NOTICE OF INTENT SIDETRACK TO REPAIR WELL FRACTURE TREAT ALTER CASING (Submit in Duplicate) TEMPORARILY ABANDON **NEW CONSTRUCTION** Approximate date work will start: CASING REPAIR TUBING REPAIR OPERATOR CHANGE CHANGE TO PREVIOUS PLANS -5/23/2006 VENT OR FLARE PLUG AND ABANDON CHANGE TUBING WATER DISPOSAL PLUG BACK SUBSEQUENT REPORT CHANGE WELL NAME (Submit Original Form Only) WATER SHUT-OFF PRODUCTION (START/RESUME) CHANGE WELL STATUS Date of work completion: OTHER: Request for APD RECLAMATION OF WELL SITE COMMINGLE PRODUCING FORMATIONS Extension RECOMPLETE - DIFFERENT FORMATION CONVERT WELL TYPE DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill 12/27/2006 Approved by the FROM: 12/27/2007 TO: Utah Division of Oil, Gas and Mining Regulatory Compliance Assistant

(This space for State use only)

NAME (PLEASE PRINT)

SIGNATURE

Evette Bissett

RECEIVED OCT 2 0 2006

10/18/2006

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

	4304737565 Rainbow 11-24-22-20	CNUV G 20 T115 D24F	
Location:	2035' FNL - 1617' FWL, SI rmit Issued to: Enduri	ENW, Sec 20, 1115-R24E ing Resources. LLC	
Date Original	Permit Issued: 12/27/2	2005	
The undersignabove, hereby approved app	ned as owner with legal verifies that the inform lication to drill, remains	rights to drill on the property as pe ation as submitted in the previous valid and does not require revision	n.
Following is a verified.	checklist of some items	s related to the application, which	should be
If located on pagreement be	orivate land, has the ow en updated? Yes⊡No	nership changed, if so, has the su □	rface
Have any wel	ls been drilled in the vic r siting requirements for	inity of the proposed well which w this location? Yes□No☑	ould affect
Has there bee	en any unit or other agre operation of this propos	eements put in place that could aff ed well? Yes□No☑	ect the
Have there be of-way, which	een any changes to the could affect the propos	access route including ownership sed location? Yes□No ☑	, or right-
Has the appro	oved source of water for	r drilling changed? Yes□No⊠	
Have there be which will req evaluation? Y	uire a change in plans t	es to the surface location or acces from what was discussed at the or	ss route nsite
Is bonding sti	ll in place, which covers	s this proposed well? Yes ☑ No ☐	
4 1	. 1 4	10/18/2006	
Signature Signature	Dessett	Date	
Title: Regulat	ory Compliance Assistant	_	
Representing	Enduring Resources, LLC	RI	ECEIVED
		•	

STATE OF UTAH

STATE OF UTAH			
DEPARTMENT OF NATURAL RESOURCES	5. LEASE DESIGNATION AND SERIAL NUMBER:		
DIVISION OF OIL, GAS AND MINING	UTU-73920		
THE OWNER OF THE OWNER OWNER OF THE OWNER OW	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
SUNDRY NOTICES AND REPORTS ON WELLS	n/a		
	7. UNIT OF CA AGREEMENT NAME:		
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	n/a		
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Rainbow 11-24-22-20		
OIL WELL SAN WELL UNIT VIII V	9. API NUMBER:		
2. NAME OF OPERATOR:	4304737565		
Enduring Resources, LLC	10. FIELD AND POOL, OR WILDCAT:		
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 (303) 350-5719	Undesignated		
Co. 1			
4. LOCATION OF WELL	COUNTY: Uintah		
FOOTAGES AT SURFACE: 2035' FNL - 1617' FWL			
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 20 11S 24E S	STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA		
TYPE OF ACTION			
TYPE OF SUBMISSION	REPERFORATE CURRENT FORMATION		
T ACIDIZE	SIDETRACK TO REPAIR WELL		
(Submit in Duplicate)	TEMPORARILY ABANDON		
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION			
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR		
-5/23/2006 /0/18/06 CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE		
₹B ☐ DILIG BACK	WATER DISPOSAL		
SUBSEQUENT REPORT	WATER SHUT-OFF		
CHANGE WELL STATUS	OTHER: Request for APD		
Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	Evtension		
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	V		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volu	mes, etc.		
12. DESCRIBE PROPOSED OR COMPLETED OF ELECTRONIC STREET, TO STREET			
Enduring Resources, LLC respectfully request an extension to the expiration date of the	nis Application for Permit to Drill		
FROM: 12/27/2006 TO: 12/27/2007 Approved by the			
TO: 12/27/2007 Approved by Utah Division of			
Oil, Gas and Mining			
Oil, Gas and with the			
Date: 10-23-041	10-23-06 PM		
Regulatory Co	mpliance Assistant		
NAME (PLEASE PRINT)			
Gutte Bussell			

(This space for State use only)

RECEIVED OCT 2 0 2006

Application for Permit to Drill Request for Permit Extension

Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737565 Well Name: Rainbow 11-24-22-20
Location: 2035' FNL - 1617' FWL, SENW, Sec 20, T11S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 12/27/2005
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes □ No □
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑ No ☐
10/18/2006
Signature Date
Title: Regulatory Compliance Assistant
Representing: Enduring Resources, LLC RECEIVED
OCT 2 0 2006

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER Ia. Type of work: DRILL REENTER Ib. Type of Well: Old Well Gas Well Other Single Zone Multiple Zone Enduring Resources, LLC NAME OF LAND MANAGEMENT A Surface of Operator Enduring Resources, LLC NAME OF LAND MANAGEMENT A Surface of Multiple Zone A Surface of Department of Land Multiple Zone A Surface of Department of Land Multiple Zone A Surface of Profession of Land Multiple Zone A Surface of Department of Land Multiple Zone A Surface of Department of Land Multiple Zone A Surface of Department of Department of Land Multiple Zone A Surface of Department of Land Multiple Zone Name Of Department of Land Multiple Zone Name Of Department of Department of Land Multiple Zone Name Of Department of Land Multiple Zone Name (Primed Typed) Landman - Regulatory Specialist Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct connections thereon.	Form 3160-3 (April 2004)	FORM APPROVED OMB No. 1004-0137 Expires March 31, 2007				
APPLICATION FOR PERMIT TO DRILL OR REENTER Indian Alloce or I ribe Name N/A No. N/A						
In the content of t	2011213					
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Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	Title 19 LLC C Section 1001 and Title 43 LLS C Section 1212 make it a	crime for any person knowingly and to any matter within its jurisdiction.	willfully to r	nake to any department	or agency of the United	

*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED RECEIVED

NOV 0 7 2006

DIV. OF OIL, GAS & MINING

MOMEST OF REPRODUC



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

VERNAL, UT 84078

(435) 781-4400

production resumes after well has been off production for



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Enduring Resources, LLC Location: SENW, Sec 20, T11S, R24E

Well No: Rainbow 11-24-22-20 Lease No: UTU-73920

API No: 43-047-37565 Agreement: N/A

170 South 500 East

(Notify Petroleum Engineer)

Cell: 435-828-4470 Office: 435-781-4490 Matt Baker Petroleum Engineer: Cell: 435-828-7875 Office: 435-781-4432 Michael Lee Petroleum Engineer: Cell: 435-828-3913 Office: 435-781-4502 Jamie Sparger Supervisory Petroleum Technician: Cell: 435-828-4029 Office: 435-781-4475 Paul Buhler **Environmental Scientist:** Office: 435-781-4484 Karl Wright **Environmental Scientist:** Office: 435-781-4404 Holly Villa Natural Resource Specialist: Office: 435-781-4476 Natural Resource Specialist: Melissa Hawk Office: 435-781-4486 Charles Sharp Natural Resource Specialist: Office: 435-781-4437 Scott Ackerman Natural Resource Specialist: Fax: 435-781-4410 After Hours Contact Number: 435-781-4513

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Melissa Hawk)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Melissa Hawk)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Jamie Sparger)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings
BOP & Related Equipment Tests (Notify Jamie Sparger)	-	Twenty-Four (24) hours prior to initiating pressure tests
First Production Notice	_	Within Five (5) business days after new well begins or

more than ninety (90) days

Page 2 of 7 Well: Rainbow 11-24-22-20 10/26/2006

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- This well is being approved in accordance with Washington Instruction Memorandum 2005-247 and Section 390 (Category 3) of the Energy Policy Act which establishes statutory categorical exclusions (CX) under the National Environmental Policy Act (NEPA). Category 3 states that an oil or gas well can be drilled within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) years prior to the date of spudding the well. This well is covered under the Resource Development Group Uinta Basin Natural Gas Project signed July 18, 2006. If the well has not been spudded by July 18, 2011; a new environmental document will have to be prepared prior to the approval of the APD.
- All applicable local, state, and/or federal laws, regulations, and/or statutes must be complied with.
- The proposed surface pipelines will be laid adjacent to the access roads, using the road as a working surface.
- Construction related traffic shall be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. will be needed to control the erosion.
- The reserve pit will be lined with a 16 ml or greater liner.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- The liner is to be cut at the level of the cuttings or treated to prevent the reemergence of the pit liner and pit material to the surface or its interference with long-term successful re-vegetation.
 Any excess liner material removed from the pit is to be disposed of at an authorized disposal site.
- When the reserve pit contains fluids or toxic substances, the operator must ensure that animals
 do not ingest or become entrapped in pit fluids.
- Drill cuttings and mud will remain in the reserve pit until DRY. The reserve pit must be free of oil
 and other liquid and solid wastes, allowed to dry, be pumped dry, or solidified in-situ prior to
 filling. The reserve pit will not be "squeezed," (filled with soil while still containing fluids) or "cut"
 (puncturing the pit liner while still containing fluids to allow pit fluids to drain from the pit).
- Prevent fill and stock piles from entering drainages.
- CULTURAL AND PALEONTOLOGICAL RESOURCES Any cultural and/or paleontological resource (historic or prehistoric site or object or fossil) discovered by the holder, or any person

Page 3 of 7 Well: Rainbow 11-24-22-20 10/26/2006

working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and a decision as to proper mitigation measures shall be made by the authorized officer after consulting with the holder.

- The access road will be crowned and ditched. Flat-bladed roads are **NOT** allowed.
- Pile trees separately.
- Notify Melissa Hawk or the Authorized officer 48 hours prior to surface disturbance.
- All well facilities not OSHA regulated will be painted Carlsbad Canyon.
- Trees which must be removed from the location must be piled separately off location and saved for final reclamation purposes.
- Interim Reclamation (see below):
- The first 4-6 inches of topsoil from the construction site will be stripped and piled separately from other excavated material.
- Where areas will be set aside on an interim basis (areas due to receive further disturbance prior to final reclamation) these sites will be re-contoured as much as possible, have needed top soil re-spread and planted with the seed mix below:

Indian Ricegrass Pleuraphis hymenoides 4 lbs. /acre Needle and Threadgrass Stipa comata 4 lbs. /acre

Hycress Crested Wheatgrass

Agropyron cristatum 4 lbs. /acre
12 lbs. per acre

All pounds are in pure live seed.

Reseeding may be required if first seeding is not successful.

- Once the location is plugged and abandoned contact the Authorized Officer for final reclamation plans.
- The seed mix listed in the APD (black sage, shadscale, Indian rice grass) shall be used to seed all unused portions of the pad no longer needed for ongoing or future operation. Re-seeding may be required if the first seeding is not successful.
- All seed mixtures shall be weed free.
- The seed shall be drilled or hand broadcast and harrowed into the ground during September of the year following earthwork for initial or final reclamation. Planting depth shall not exceed onehalf inch using a seed drill. Weed seed free mulch shall also be applied to the planting area sufficiently to uniformly cover 80% of the seeded area. Hydroseeding and mulching can also be used, but seeding rates will need to be doubled.

Page 4 of 7 Well: Rainbow 11-24-22-20 10/26/2006

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Production casing cement shall be brought up and into the surface casing. Cement top inside production surface casing annulus is a minimum of 200 ft.
- A cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe.
- For surface casing cementing program, stage Top Out or Top Job is to bring cement to surface.
- A casing shoe integrity test shall be run on the surface casing shoe.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times.
 Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the
 daily drilling report. Components shall be operated and tested as required by Onshore Oil &
 Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be
 performed by a test pump with a chart recorder and NOT by the rig pumps. Test shall be
 reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.

Page 5 of 7 Well: Rainbow 11-24-22-20 10/26/2006

• The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).

- All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- The lessee/operator must report encounters of all non oil & gas mineral resources (such as
 Gilsonite, tar sands, oil shale, etc.) to Peter Sokolosky or another geologist of the Vernal Field
 Office, in writing, within 5 working days of each encounter. Each report shall include the well
 name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of
 the encounter and, the name of the person making the report (along with a telephone number)
 should the BLM need to obtain additional information.
- All shows of fresh water and minerals shall be reported and protected. A sample shall be taken
 of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas
 shows shall be adequately tested for commercial possibilities, reported, and protected.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior
 approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30
 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given
 before resumption of operations.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a
 weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is
 completed.
- Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the written
 report requirement. Any additional construction, reconstruction, or alterations of facilities,
 including roads, gathering lines, batteries, etc., which will result in the disturbance of new
 ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of
 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including,

Page 6 of 7 Well: Rainbow 11-24-22-20 10/26/2006

at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe
 and shall be utilized to determine the bond quality for the production casing. Submit a field copy
 of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office
 Petroleum Engineers will be provided with a date and time for the initial meter calibration and all
 future meter proving schedules. A copy of the meter calibration reports shall be submitted to
 the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for
 liquid hydrocarbons and the AGA standards for natural gas measurement.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - o Operator name, address, and telephone number.
 - o Well name and number.
 - o Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and / or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.

Page 7 of 7 Well: Rainbow 11-24-22-20 10/26/2006

All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will
be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, shall be
reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major
Events" will be reported in writing within 15 days. "Minor Events" will be reported on the
Monthly Report of Operations and Production.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office
 Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in
 order that a representative may witness plugging operations. If a well is suspended or
 abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent
 Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual
 plugging of the well bore, showing location of plugs, amount of cement in each, and amount of
 casing left in hole, and the current status of the surface restoration.

Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

VERNAL	CEIVED FIELD O	FFICE
2007 CED	_	, i

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

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Do not use this form for proposals to drill or to repenter and head of the same abandoned well. Use Form 3160-3 (APD) for such proposals. LANU FGM 1/2

Lease Serial No.

abandoned we	ell. Use Form 3160 - 3	(APD) for such pro	posais. LAND I	GMnVa	
SUBMIT IN TRI	PLICATE- Other ins	tructions on rever	se side.	7. If Unit or C	CA/Agreement, Name and/or No.
1. Type of Well Gas Well Other			8. Well Name and No. Rainbow 11-24-22-20		
2. Name of Operator Enduring Res	sources, LLC	3b. Phone No. (include	area code)	9. API Well	
475 17th Street, Suite 1500, Det	nver, CO 80202	303-573-1222			Pool, or Exploratory Area
4. Location of Well (Footage, Sec., T., R. M., or Survey Description) 2035' FNL – 1617' FWL SENW Sec 20-T11S-R24E S.L.B.&M.			11. County or Uintah,	Parish, State	
12. CHECK A	PPROPRIATE BOX(ES) T	O INDICATE NATUR	E OF NOTICE, F	EPORT, OR	OTHER DATA
TYPE OF SUBMISSION		TYI	PE OF ACTION		
✓ Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (St Reclamation Recomplete Temporarily A Water Disposal	l bandon	Water Shut-Off Well Integrity ✓ Other APD Extension Requested
13 Describe Proposed or Complete	ed Operation (clearly state all per	rtinent details, including esti	mated starting date of a	ny proposed worl	k and approximate duration thereof.

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Request extension of APD expiration date from 10-27-2007 to 10-27-2008

APD Granted:

10-27-2006

APD Expires:

10-27-2007

Request One-year Extension to:

10-27-2008

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)				
Alvin R. (Al) Arlian	Title Landman - Regulatory Specialist			
Signature A	Date 08/24/2007			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Approved by Wax Pole Pet	roleum Engineer Date SEP 1 0 2007			
Conditions of approval, if any, are attached. Approval of this notice does not warracertify that the applicant holds legal or equitable title to those rights in the subject lewhich would entitle the applicant to conduct operations thereon.	nt or ase Office			
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any	person knowingly and willfully to make to any department or agency of the United			

(Instructions on page 2)

SEP 1 8 2007

CONDITIONS OF APPROVAL

Enduring Resources, LLC

Notice of Intent APD Extension

Lease:

UTU-73920

Well:

Rainbow 11-24-22-20

Location:

SWNE Sec 20-T11S-R24E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 10/27/08
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

ACHE	PA PER REPUBLICATE OF UTAH
	DEPARTMENT OF NATURAL RESOURCES
UVIII	DIL, GAS AND MINING

COM MINING OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73920			
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a			
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME: n/a			
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Rainbow 11-24-22-20			
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBER: .4304737565			
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 350-5719	10. FIELD AND POOL, OR WILDCAT: Undesignated			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2035' FNL - 1617' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 20 11S 24E S	COUNTY: Uintah STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA			
TYPE OF SUBMISSION ACIDIZE	TUBING REPAIR VENT OR FLARE WATER DISPOSAL WATER SHUT-OFF OTHER: Request for APD Extension es, etc.			
FROM: 10/23/2007 TO: 10/23/2008 Approved by the Utah Division of Oil, Gas and Mining Date: 10-23-07 By:				
NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulation Date 10/19/2007	latory Specialist			

(This space for State use only)

10-24-07

RECEIVED
OCT 2 3 2007



Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API:	4304737565		of the second second	* * * * * * * * * *	
Well Name:	Rainbow 11-24-22-20				
Location:		WL, SENW, Sec 20, T118		and the second of the second	* 1
		Enduring Resources, LL	С		7
Date Original	Permit Issued:	12/2//2005			
The undersion	ned as owner with	legal rights to drill or	n the property as	nermitted	
		nformation as submi			
•		nains valid and does	•	_	* 50 × 10
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Following is a	checklist of some	items related to the	application, which	ch should be	, mar. 4 . 1 4 . 2
<u>verified.</u>					
IE	المعالم المعارف		al Mara Israe Mara	-	
-		ne ownership change	a, it so, has the	surface	****
agreement be	en updated? Yes l				
Have any well	s heen drilled in th	ne vicinity of the prop	nosed well which	would affect	
•		nts for this location?		Wodia anoot	
are opaomig or	orang roquironion	,	10001100		
Has there bee	n any unit or othe	r agreements put in	place that could	affect the	
permitting or o	peration of this pr	oposed well? Yes□	No 🗹		
	-	o the access route in	•	nip, or right-	
of-way, which	could affect the p	roposed location? Ye	es □ No ☑		
Hac the appro	wod source of wo	or for drilling change	2 V2 C1 N2 C7		
nas trie appro	ved source or war	ter for drilling change	ROY TESLINOR		
Have there be	en any physical c	hanges to the surfac	e location or acc	ess route	
		lans from what was o			
evaluation? Ye	• •				
ls bonding still	in place, which c	overs this proposed	well? Yes⊠No[3	
			10/19/2007		
Signature			Date		
Oignature	e produce de la companya del companya de la companya del companya de la companya		Date		
Title: Landman	ı - Regulatory Speciali	st			
en e	Commissioners of Section (Section 2) and (Section 2)	and the second of the second of	Market 14 Company State Company		
Representing:	Enduring Resource	s, LLC	E-CERTIFICANT CANTER CONTROL	and the state of t	
	H-19-1		_		
				Total Same and the	

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

		DIVISION OF OIL, GAS AND		IDENTIAL		SE DESIGNATION AND SERIAL NUMBER: J-73920
	SUNDRY	NOTICES AND REPOR	TS ON WEL	LS	6. IF IN	IDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for	proposals to drill no	ew wells, significantly deepen existing wells below terals. Use APPLICATION FOR PERMIT TO DRI	current bottom-hole dep	th, reenter plugged wells, or	7. UNI	Tor CA AGREEMENT NAME:
1. TYPE OF WELL	OIL WELL				8. WEI	L NAME and NUMBER: 1bow 11-24-22-20
2. NAME OF OPERATOR			 		9. API	NUMBER: 47.37565
Enduring Reso 3. ADDRESS OF OPERA				PHONE NUMBER:		LD AND POOL, OR WILDCAT:
475 17th Street, St	The Control of the Co	Denver STATE CO	_{ZIP} 80202	(303) 350-5719	Unc	lesignated
	FACE: 2035' I	FNL - 1617' FWL				v. Uintah
			24E S	· · · · · · · · · · · · · · · · · · ·	STATE	UTAH
11. CH	IECK APPE	ROPRIATE BOXES TO INDIC	ATE NATURE	OF NOTICE, RE	PORT, O	R OTHER DATA
TYPE OF SUB	MISSION		Т	YPE OF ACTION		
✓ NOTICE OF INT		ACIDIZE	DEEPEN			REPERFORATE CURRENT FORMATION
(Submit in Dupli		ALTER CASING	FRACTURE	TREAT		SIDETRACK TO REPAIR WELL
Approximate date v	work will start:	CASING REPAIR	NEW CONS	TRUCTION		TEMPORARILY ABANDON
		CHANGE TO PREVIOUS PLANS	OPERATOR	CHANGE		TUBING REPAIR
		CHANGE TUBING	PLUG AND	ABANDON		VENT OR FLARE
SUBSEQUENT (Submit Original		CHANGE WELL NAME	PLUG BACK	:		WATER DISPOSAL
Date of work comp		CHANGE WELL STATUS	PRODUCTION	ON (START/RESUME)		WATER SHUT-OFF
r		COMMINGLE PRODUCING FORMATION	S RECLAMAT	ION OF WELL SITE	\checkmark	OTHER: Request for APD
	 _	CONVERT WELL TYPE	RECOMPLE	TE - DIFFERENT FORMAT	ION	Extension
a de			tension to the e	expiration date of Approved by to Utah Division I, Gas and Mi	this Applio	cation for Permit to Drill
NAME (PLEASE PRINT)	Alvin R. (A	Al) Arlian	TITL	9/29/2008	egulatory	Specialist
(This space for State use o		ENT TO OPERATOR	<u></u>	The State of	A 1 + 2 1 1 1 1	RECEIVED

(5/2000)

Date: 10:30:2008 Initials: K5

(See Instructions on Reverse Side)

OCT 2 3 2008

DIV. OF OIL, GAS & MINING



Application for Permit to Drill Request for Permit Extension Validation

Validation (this form should accompany the Sundry Notice requesting permit extension)

API: 4304737565	St.
Well Name: Rainbow 11-24-22-20 Location: 2035' FNL - 1617' FWL, SENW, Sec	20. T11S-R24E
Company Permit Issued to: Enduring Resour	
Date Original Permit Issued: 12/27/2005	
The undersigned as owner with legal rights to above, hereby verifies that the information as approved application to drill, remains valid an	submitted in the previously
Following is a checklist of some items related verified.	to the application, which should be
f located on private land, has the ownership o agreement been updated? Yes□No□	changed, if so, has the surface
Have any wells been drilled in the vicinity of the spacing or siting requirements for this located the spacing or siting requirements.	• •
Has there been any unit or other agreements permitting or operation of this proposed well?	•
Have there been any changes to the access rof-way, which could affect the proposed locati	
las the approved source of water for drilling	changed? Yes□No☑
Have there been any physical changes to the which will require a change in plans from whaevaluation? Yes□No☑	
s bonding still in place, which covers this prop	oosed well? Yes⊠No□
A COR	9/29/2008
Signature	Date
Fitle: Administrative Assistant	
Representing: Enduring Resources, LLC	*
	RECEIVED
	OCT 2 3 2008



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office 170 South 500 East Vernal, UT 84078 (435) 781-4400 Fax: (435) 781-4410

http://www.blm.gov/ut/st/en/fo/vernal/html

TAKE PRIDE"

IN REPLY REFER TO. 3160 LLUTG01100

January 16, 2009

Alvin R. (Al) Arlian Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202

Re: Notice of Expiration

Well No. Rainbow 11-24-22-20 SENW, Sec. 20, T11S, R24E

Uintah County, Utah Lease No. UTU-73920

Dear Mr. Arlian:

The Application for Permit to Drill (APD) the above-referenced well was approved on October 27, 2006. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until October 27, 2008. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

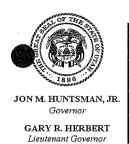
Sincerely,

Cindy Severson

Cindy Severson Land Law Examiner

cc: UDOGM

FEB 0 2 2009



State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 29, 2009

Al Arlian Enduring Resources, LLC 475 17TH Street Ste 1500 Denver, CO 80202

Re:

APD Rescinded - Rainbow 11-24-22-20, Sec. 20, T.11S, R. 24E

Uintah County, Utah API No. 43-047-37565

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 27, 2005. On October 23, 2006, October 23, 2007 and October 30, 2008 the Division granted a one-year APD extension. On October 28, 2009 you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 29, 2009.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc: Well File

Bureau of Land Management, Vernal

